

EXPLORING GENDER QUOTAS IN TOP MANAGEMENT: INSIGHTS FROM ICELAND



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CONTEXT

- Iceland tops the World Economic Forum's Gender Gap Index
- A stark contrast emerges in top management positions where men significantly outnumber women, holding CEO positions in 24 listed companies compared to just 3 held by women.
- This disparity highlights the slow progress toward gender balance in executive roles and underscores the broader support among women for gender quotas as a necessary intervention (Óladóttir et al., 2024; Christiansen & Óladóttir, 2022).
- **No spillover effect; the Nordic Paradox** (Bertrand et al., 2019; Halrynjo & Teigen, 2024; Óladóttir et al., 2021, 2024).



Objective and Research Questions

To understand perceptions towards gender quotas for TMT level positions.

This paper reports on a survey measuring public attitudes towards:

- the enactment of gender quotas on TMT-level positions,
- beliefs about equal opportunities for men and women to attain CEO positions,
- beliefs about the influence of gender quota legislation on merit-based hiring,
- beliefs about whether it is taking too long to achieve gender balance in top-management-teams

STUDY SIGNIFICANCE

Unique focus:

Gender Quotas in TMT, an underexplored area in a world-leading country for gender equality.

Significant gender differences in:

- Beliefs about equality in CEO hiring opportunities
- Perceptions of the pace of achieving gender balance
- Support for gender quota legislation in top management teams (TMT)
- Beliefs that Gender Quotas in TMT undermine merit-based-hiring.



Method

A random sample of 2,500 panel members (+18 years) was drawn from the Internet panel of the SSRI. The sample was weighed in terms of gender, age, and residence to ensure that the results give the most accurate representation of the population.

Sample: 1027 participants, balanced by gender, from a national registry.

Survey Tool: Questions on gender equality opportunities, impact of quotas on hiring, progress towards gender balance.

Analysis: Independent t-tests to evaluate gender differences in perceptions

- of whether men and women have equal opportunities for CEO positions;
- of whether it is taking too long achieving gender balance at the TMT level
- in attitudes toward whether the government should impose gender quota laws on the executive teams of companies with more than 50 employees;
- and in beliefs that gender quota laws on executive teams of companies reduce the likelihood of the most qualified individuals being awarded positions on executive teams.

Key Findings



Gender Perceptions: Women perceive less equality in opportunities and slower progress towards TMT gender balance. Men were more likely than women to agree that the opportunities were equal.



Support for Quotas: Higher among women; Women were more likely than men to agree that the government should impose gender quota laws on the executive teams of companies with more than 50 employees. Men show significant resistance, fearing impact on meritocracy.



Women were also more likely than men to disagree that gender quota laws on executive teams of companies reduce the likelihood of the most qualified individuals being selected for executive teams.

Discussion

- **Gender quotas** on company boards increased female representation but **have not significantly impacted CEO positions or executive team diversity**.
- **Attitudes among board members** reflect mixed feelings about government intervention in executive appointments, with men particularly skeptical of its necessity due to a perceived achievement of gender balance.

Public Opinion:

- **General support for gender quotas** among the public, especially among women, who are more likely to see the need for legislative measures to ensure equality in executive roles.
- **Concerns exist** about the potential negative impact on meritocracy, although these fears are often deemed unfounded.

Cultural Observations:

- **Men on boards** are more resistant to the idea of quotas, believing that market mechanisms should prevail without government interference.
- **Women on boards** see quotas as a crucial step to being considered for roles, challenging the notion that quotas diminish merit by providing necessary opportunities for evaluation based on skills and experience.

Suggestions for Moving Forward

- **Broader acceptance** that without disruptive measures like quotas, gender equality in executive ranks might stagnate.
- **Recommendations** include setting gender quotas for executive teams, alongside measures by investors and corporate policies to support gender balance.

Conclusion

- The study highlights **significant gender disparities** in perceptions and experiences concerning gender equality in leadership roles, underlining the need for continued dialogue and targeted interventions to bridge the gap.



FOR POLICYMAKERS: CONSIDER
EXTENDING QUOTAS TO TMT LEVELS.



FOR RESEARCHERS: NEED FOR
LONGITUDINAL STUDIES TO TRACK THE
IMPACT OF QUOTAS OVER TIME.

Iceland

In 1980 Icelanders wrote a new chapter in the history by being the first to choose a woman – Mrs. Vigdís Finnbogadóttir as their president in a general election.

Iceland was the second country in the world to legislate gender quotas on boards.

Iceland could be the first country in the world to legislate gender quotas on TMT positions.





Iceland in 1975



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